

2020

Gender Equality Bond Progress Report

Year ended 31 December 2020



QBE INSURANCE GROUP LIMITED

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Introduction

QBE Insurance Group Limited (QBE) recognises that we have responsibilities not only towards our customers, employees and shareholders, but also the countries and communities in which we operate. This means understanding and managing the impact we have on society and the environment, and investing in the future of our employees and the communities we serve.

In November 2017, QBE issued its inaugural Gender Equality Bond (Gender Bond) raising US\$400 million in Additional Tier 1 capital (AT1). It was the first Gender Bond issued by an insurance company and only the second ever issued globally. QBE is proud to be part of this innovative and evolving market.

Since the first report, QBE has continued to support its commitment to responsible investments, including investments in line with QBE's commitment to gender equality.

Compliance statement

As at 31 December 2020, QBE confirms that the Use of Proceeds of the Gender Equality Bond aligns with the criteria set out in the QBE Gender Equality Bond Framework. Sustainalytics has conducted an external review of the Gender Equality Bond Portfolio and 'based on the limited assurance procedures conducted, Sustainalytics believes the reviewed bonds funded through proceeds of QBE's Gender Equality Bond are in conformance, in all material aspects, with the Use of Proceeds and Reporting Criteria outlined in the Gender Equality Bond Framework'.

United Nations Women's Empowerment Principles¹

The United Nations Women's Empowerment Principles (UN WEPs) are a set of seven principles that offer guidance for business based on best practices from around the world. The UN WEPs were developed as a joint initiative between UN Women and the UN Global Compact.



QBE has invested in a range of companies that are a signatory to the UN WEPs and are strongly committed to gender equality in their workforce and in the wider community.

¹ <https://www.weps.org>

Framework summary

QBE's Gender Bond Framework aligns to the four core components of the International Capital Markets Association (ICMA) Social Bond Principles.

Use of proceeds

The proceeds of the QBE Gender Bond will be used towards the financing/refinancing of the Gender Bond investment portfolio, meeting our specific criteria under the QBE Gender Bond Framework, as detailed below. The bond must:

- have been issued by a company that is a signatory to the United Nations Women's Empowerment Principles (UN WEPs), a joint initiative of the UN Global Compact and UN Women; and
- have been issued by a company recognised in the current Equileap Gender Equality Global Report and Ranking.¹

Process for investment evaluation and selection

QBE identifies eligible bonds for inclusion in the portfolio that align with our specific criteria under the QBE Gender Bond Framework.

QBE has also developed a list of exclusionary criteria to ensure that it will not knowingly finance a cause that is not aligned to the ICMA Social Bond Principles.

Management of proceeds

QBE tracks the Use of Proceeds of the Gender Bond via internal information systems, with periodic adjustments to match allocations to eligible Gender investments made during that period.

Reporting

QBE will provide annual allocation and impact reporting to investors via the Gender Bond Progress Report and will engage an appropriate external second party assurance provider to independently assure and verify the bond complies with the QBE Gender Bond Framework and UN WEPs.

¹ <https://equileap.com/equileap-reports/>

And this is us...

QBE¹

QBE is committed to gender equality both in terms of people and in the practice of its insurance business. As a signatory to the UN WEPs, there is a greater strategic focus on diversity and inclusion across QBE's business.

¹ <https://www.qbe.com/sustainability>

Standout initiatives

Focusing on fair remuneration and women in leadership

QBE is committed to rewarding employees fairly, and drives gender pay equity through regular analysis, monitoring and transparent communication. Across the Group, QBE came close to achieving the goal of having 35% women in leadership by 2020, with an increase over the last year from 33.7% to 34.8%.

This has been achieved through an ongoing focus on recruiting, selecting, promoting and developing our people, including a commitment to the advancement of women through our female career acceleration program, Lead In. QBE has now developed a new target of having 40% of women in leadership and on the Group Board by 2025.

UN Women's Empowerment Principles:



Promoting equality through advocacy

QBE's Group Executive Committee has placed a higher level of visible sponsorship and accountability on issues relating to the progression of women in leadership and the fair treatment of all. This includes our senior leadership advocating for, or being signatories to, external pledges or charters such as the Male Champions of Change group in Australia, the HM Treasury Women in Finance Charter and Tech Talent Charter in the UK.

UN Women's Empowerment Principles:



Equality in recruitment

QBE continues to focus on strengthening our hiring practices to promote diversity and inclusion across our workforce including tracking of gender-diverse hires, interview panels and shortlisted candidates.

UN Women's Empowerment Principles:



Standout achievements

Australian Workplace Equality Index

In 2020, QBE maintained the Gold Employer status and has been recognised as one of Australia's top LGBTQ+ Inclusive employer for the second consecutive year.

Share the Care

In 2019, QBE introduced its gender-equal, flexible parental leave policy 'Share the Care' in Australia and New Zealand, which has resulted in a 300+% uplift in male employees taking paid parental leave within QBE. QBE Australia was named the *JobAccess Best Workplace Diversity & Inclusion Program* at the Australian HR Awards 2020, recognising our work in gender-equal paid parental leave.

Care and Connect

During 2020, QBE introduced various initiatives to protect vulnerable employees, including the expansion of its policy to offer 10 days dedicated family and domestic violence leave and the launch of a Family and Domestic Violence First Responder national network across Australia and New Zealand, as well as monitoring and conducting wellbeing checks across employees of all regions to ensure the safety of employees working from home.

Bloomberg Gender Equality Index

QBE has been recognised by the Bloomberg Gender Equality Index for the 4th year, in 2021.



ANZ is committed to building a workplace that reflects the communities in which ANZ operates by creating a diverse and inclusive workforce and providing opportunities to under-represented groups.

As part of this commitment, ANZ became a founding signatory to the UN Principles for Responsible Banking in 2019 and is also a signatory to the United Nations Global Compact, including the Women's Empowerment Principles and the United Nations Standards of Conduct for Business for Tackling Discrimination against LGBTIQ+ People.

2020 highlights include:

- ANZ's Key Management Personnel and Group Executive Committee are now both gender balanced;
- Women in leadership increased by 0.9% to 33.4%; and
- A gender pay gap target included in ANZ's 2020 Group Scorecard and a minimal like-for-like gap (within +/- 2%) maintained in most categories.

1 www.anz.com/content/dam/anzcom/shareholder/ANZ-2020-Annual-Report-Spreads.pdf

2 <https://www.anz.com.au/content/dam/anzcom/shareholder/ANZ-2020-ESG-Supplement.pdf>

Standout initiatives

Gender pay reporting

ANZ closely monitors and transparently reports its gender pay gap using both a 'category average' and 'like-for-like' methodology to understand the underlying reasons for the gender pay gap. ANZ seeks to identify opportunities to remove potential bias whenever remuneration decisions are made.

UN Women's Empowerment Principles:



Inclusion programs

ANZ demonstrates its commitment to diversity and inclusion through employment programs designed to encourage greater workforce diversity. One of the newest programs is ANZ's Return to Work program for people looking to re-enter the workplace and re-ignite their career after having a break for more than two years to do things such as raising a family and travel.

UN Women's Empowerment Principles:



Standout achievements

Women in leadership roles

Since September 2019, ANZ has increased Group-wide representation of women in leadership from 32.5% to 33.4% (FY20). ANZ's progress is monitored monthly by the CEO and an Executive Committee.

Recruitment

Since 2016, ANZ has recruited 919 people from under-represented groups (which includes Aboriginal and Torres Strait Islander peoples, people with disability and refugees).

Community investment supporting women

Approximately \$7.7 million of community investment total (25% of ANZ cash, time and in-kind contributions) contributed to program initiatives that support women and girls.²

Spotlight

Lisa Vasic



Managing Director
Transaction Banking, Institutional

When you hear the words 'gender equality' or 'empowerment', what does this mean to you? Do any particular areas come to mind that you believe have an important role to play in reaching gender diversity/equality and why?

"We all have our own lenses through which we see the world. Despite enabling people to explore their full potential without gender constraints, often, gender equality is seen through the lens of bias. As a society, it is critical that we allow opportunities for people to strive for balance and recognition of both paid and unpaid work, regardless of gender.

We now recognise the why for empowering women and the benefits have been well-documented whether measured economically or in the safety of society itself. However, less emphasis has been placed on what this means for men and how gender equality provides men more opportunity and diversity in both their professional and personal lives.

The introduction of gender-neutral parental leave policies, which offer equitable parental leave for all parents, demonstrates the remarkable shift in thinking at a policy level. It also acknowledges how precious this time is for fathers too in spending time and directly raising their families.

Walking in one another's shoes builds deep foundations for change and rebalances gender equality for all genders while challenging historical stigmas associated with female participation and flexibility."

Lisa is an experienced banker and has held numerous senior roles at ANZ. Based in Sydney, Lisa joined ANZ as part of ANZ's graduate program in the early 90s and has since made remarkable contributions in multiple business segments including Small Business, Private Banking, Relationship and Transaction Banking.

Lisa has a strong passion for supporting education to enable opportunities for our next generation and those from disadvantaged backgrounds.

Commonwealth Bank of Australia¹

Since 2010, the Commonwealth Bank of Australia (CBA) has focused on ensuring diversity is consistent across the organisation and there is appropriate gender and cultural representation across leadership roles.

Accordingly, CBA has established its Global Diversity and Inclusion Strategy which focuses on how it can achieve better outcomes for customers, communities and people by building a more inclusive and diverse culture.

As part of this commitment, CBA seeks to:

- Increase the number of women comprising executive manager and above roles to 47-50% by 2025;
- Continue to aim for 40% female representation on the Boards of CBA Group Subsidiaries;
- Cultural diversity of senior leaders to match the cultural diversity of the Australian population by 2025; and
- Achieve 3% Aboriginal and Torres Strait Islander Representation in CBA's domestic workplace by December 2026.

¹ www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/results/fy20/cba-2020-annual-report-print.pdf

Standout initiatives

Next Chapter Program

CBA launched the Next Chapter Program in mid-2020, expanding its ongoing commitment to address domestic and financial abuse. This includes two new initiatives of supporting victims and survivors of financial abuse to commence their next chapter and achieve long-term financial independence.

UN Women's Empowerment Principles:



Parental leave

In late 2017, CBA changed its parental leave entitlements to remove the distinction between fathers, mothers or other guardians. This allows employees to switch from being the secondary to primary carer (and vice versa) during the first 12 months of a child's life.

UN Women's Empowerment Principles:



Standout achievements

Community and customer vulnerability team

In 2020, CBA established a team to identify and respond to those in need with sensitivity and skill, partnering with experts and community organisations to develop required resources and support networks to help those affected.

Women in leadership

CBA achieved its target of 40% of women in leadership by 2020, and have set a new target of 47-50% of women in leadership by 2025.

Joint supporter of Women in Artificial Intelligence (AI) Awards 2021

As part of CBA's partnership with Telstra, both will sponsor the Women in AI Awards to promote and recognise the need for diversity and inclusion in AI, and to encourage more women into the sector.

Bloomberg Gender Equality Index

CBA was included in the 2021 Bloomberg Gender Equality Index.

Westpac¹

Westpac established a 2018 to 2020 inclusion and diversity strategy focusing on inclusion and embracing the different views and experiences from the individuals within the organisation.

The strategy aims at fostering innovation and supporting people to be able to bring 'their whole self to work'. The goal of this strategy is to promote an inclusive working environment where employees feel safe to speak up. Ultimately, the aim of this approach is to deliver improved service experiences for customers.

As such, Westpac has committed to continuing the following initiatives through to 2021:

- Maintain 50% women in leadership roles;
- At least 40% women in senior executive positions;
- Maintain no less than 50% women in the workforce generally; and
- At least 40% women on the Westpac Board of Directors.

¹ www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC_2020_sustainability_performance_report.pdf

Standout initiatives

Gender transition leave

Westpac provide support and paid leave to people transitioning to their affirmed gender at work. This aims to ensure everyone feels comfortable being themselves at work, no matter their gender, gender identity or sexual orientation.

UN Women's Empowerment Principles:



Tailored development programs

Westpac offer development programs such as *Women on the Move* and *Making My Mark* and are now in their sixth year of the *Equilibrium* program which supports female leaders to transition into Westpac from other industries.

UN Women's Empowerment Principles:



Employee Action Groups

Women of Westpac is the longest running Employee Action Group and provides a platform to empower female employees through skill share, support and guidance on issues such as family life and career management.

UN Women's Empowerment Principles:



Standout achievements

Bloomberg Gender Equality Index

Westpac has been recognised by the Bloomberg Gender Equality Index for the 5th consecutive year, in 2021.

Women in leadership

Westpac maintained its target of 50% women in leadership.

Spotlight

Sofie Sullivan



Executive Director
Head of Financial Institutions
Public Sector and Health, Relationship Coverage

How has your organisation best promoted gender equality and female empowerment?

"Westpac is committed to diversity and inclusion in the workplace and we have a long history of promoting gender equality. Westpac has been recognised by the Bloomberg Gender Equality Index for the fifth consecutive year. We continue to recruit and support female talent with tailored leadership programs, including the Equilibrium program which is now in its fifth year. Equilibrium is a small and selective leadership program where we work with participants to create a personal development plan that's tailored to what they're great at - and where they want to go. Program participants spend 12 months working closely with General Manager mentors and business leaders who help guide their journey. The program also includes technical, leadership and finance training, accelerated networking opportunities and immersive business experiences.

We also have a Women of Westpac employee action group, which was established more than 10 years ago, providing career development opportunities for women, including networking events and education sessions. It is our longest running and most popular Employee Action Group."

Sofie Sullivan joined Westpac in December 2019, following almost 20 years with JP Morgan in the UK and Australia across a number of diverse and challenging roles including Corporate Finance, M&A, Capital Markets, Head of Securitised Products, Head of Strategic Solutions and Head of Client Coverage for the Asset Manager Segment in the Custody and Fund Services business.

Sofie is passionate about advancing women in the workforce and championed J.P. Morgan's Women on the Move Interactive Network for the last 10 years. Outside work, Sofie loves spending family time with her husband and three children. She tries to fit in regular ocean swims, she plays tennis at a competitive level and loves hiking.



Impact of investments

Portfolio composition as at 31 December 2020

Gender equity bond portfolio
over-collateralised at (US\$M)

\$547.1M

on a mark-to-market basis

Investment in UN WEPs and Equileap Gender Equality ranking organisations



The specific allocations to each of the counterparties are set out below:

	(US\$M)
● ANZ	295.1
● CBA	78.7
● Westpac	173.3

Key statistics

Equileap¹ is a global leader in researching gender balance and gender equality in public companies. The ranking orders the Top 100 companies and gives them an overall grade based on how well they scored against various data points.

ANZ²

Women on the board

37.5%

Women in management

33.4%

Equileap

63

 ranking

60

 score

CBA²

Women on the board

44.4%

Women in management

41.2%

Equileap

40

 ranking

63

 score

Westpac^{2,3}

Women on the board

20.0%

Women in management

50.0%

Equileap

14

 ranking

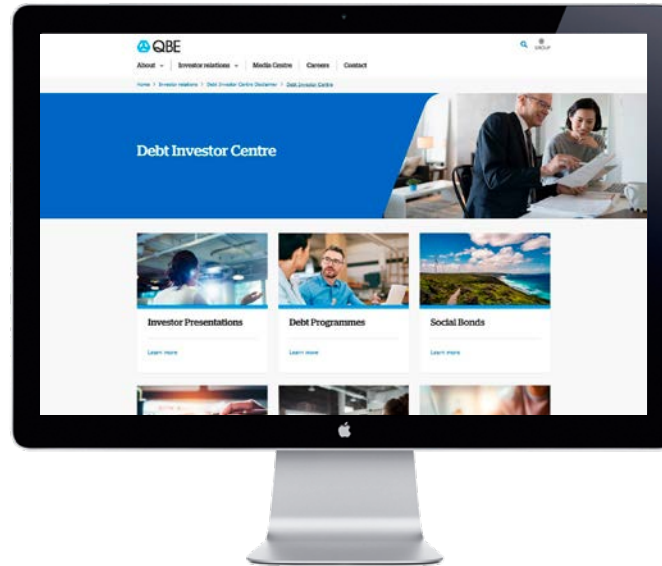
68

 score

1 Equileap statistics as of report published 1 October 2019, noting the 2020 Gender Equality Global Report & Ranking is expected to be released in early to mid 2021: <https://equileap.org/>
 2 As at 31 December 2020.
 3 In February 2021, Westpac announced the appointment of Nora Scheinkestel as a Non-executive Director, with effect from 1 March 2021 and that Craig Dunn intends to retire from the Board at the conclusion of Westpac's 2021 AGM. For FY21, Westpac has an objective of at least 40% women on the Westpac Board.



Information for investors



Contact our Global Treasury team

Sam Vilo *Group Treasurer*

Rachel York *Head of Funding*

Group Treasury

QBE Insurance Group Limited

Level 27, 8 Chifley Square, Sydney NSW 2000 Australia

Email: debtir@qbe.com

www.group.qbe.com/investor-centre/disclaimer/debt-investor-centre

QBE Insurance Group Limited

Level 27, 8 Chifley Square, Sydney NSW 2000 Australia | telephone +61 2 9375 4444 | www.qbe.com